

**Billing and Collection Agent Report
For period ending December 31, 2008**

To NANC

January 12, 2009

**NANPA FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008**

Assets

Cash Balance in bank account	\$	4,767,903
Dreyfus Government Cash Management Fund		-
Receivable from US Carriers		246,866
Receivable from Canada		5,733
Receivable from Caribbean countries		1,350
Receivables forwarded to FCC for collection (Over 90 days)		227,416
Allowance for uncollectible accounts		(288,000)
		193,365
Interest receivable		2,197
Total assets		4,963,465
Less: Accrued liabilities (see below for makeup)		(1,038,860)
		-
Fund balance		\$ 3,924,605

Makeup of Accrued Liabilities (see following page for additional details)

Welch LLP	57,259
NEUSTAR Pooling 1K Block Pooling Expenses	578,562
NEUSTAR Admin Expenses	358,752
Data Collection Agent - USAC	11,787
Fund audit	32,500
	\$ 1,038,860

Other items of note

During December 2008, the Dreyfus Government Cash Management Fund earned an average rate of return of 0.57%.

The fiscal audit by Ernst & Young LLP commenced the week of November 24, 2008. Audited financial statements are anticipated to be issued by the end of January.

The FCC further extended the NANPA contract from January 9, 2009 to July 9, 2009 at a fixed price of \$727,800 plus \$20,000 for travel. The travel is billed as per actual expended and cannot exceed the \$20,000. There is an additional amendment to provide for additional network gear to support continued performance in the amount of \$44,080.

**NANPA FUND
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE
JULY 2008 TO DECEMBER 2009**

	Actual		Budgeted						Total	Budget	Variance between forecasted balance at June 30/08 and budget	Estimated							
	July - November 2008	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09				Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09		
Revenue																			
International Contributions																			
Canada (1)	34,398	5,733	5,733	5,733	5,733	5,733	5,733	5,732	-	68,795	68,795	-	5,733	5,733	5,733	5,733	5,733	5,733	
Caribbean countries (1)	13,589	-	-	-	-	-	-	-	-	13,589	13,589	-	13,589	-	-	-	-	-	-
Total International Contributions	47,987	5,733	5,733	5,733	5,733	5,733	5,733	5,732	-	82,384	82,384	-	19,322	5,733	5,733	5,733	5,733	5,733	5,733
Domestic Contributions - US carriers (1)	2,969,597	171,957	178,720	178,720	178,720	178,720	178,720	178,720		4,035,154	3,895,083	140,071	2,269,639	178,720	178,720	178,720	178,720	178,720	178,720
Late filing fees for Form 499A (2)	(7,700)	(1,100)	-	-	-	-	-	-	115,000	106,200	115,000 (	8,800)	-	-	-	-	-	-	-
Interest income (3)	30,129	2,355	15,000	15,000	15,000	15,000	15,000	15,000	15,000	122,484	180,000 (	57,516)	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total revenue	3,040,013	178,945	199,453	199,453	199,453	199,453	199,453	199,452	130,000	4,346,222	4,272,467	73,755	2,303,961	199,453	199,453	199,453	199,453	199,453	199,453
Expenses																			
NANPA Administration (4), (8)	747,856	124,202	168,713	124,633	124,633	124,633	124,633	124,633	124,633	1,663,936	1,408,661	255,275	124,633	124,633	124,633	124,633	124,633	124,633	124,633
1K Block Pooling Administration (4), (7)	970,201	199,814	189,374	189,374	189,374	189,374	189,374	189,374	189,374	2,306,259	2,272,483	33,776	189,373	189,373	189,373	189,373	189,373	189,373	189,373
pANI (9)	-	-	8,333	8,333	8,333	8,333	8,333	8,333	8,333	49,998	100,000 (	50,002)	8,333	8,333	8,333	8,333	8,333	8,333	8,333
Billing and Collection																			
Welch LLP (4)	99,500	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900	238,800	238,800	-	19,900	19,900	19,900	19,900	19,900	19,900	19,900
Data Collection Agent (5)	17,856	1,032	4,500	4,500	4,500	4,500	4,500	4,500	4,500	45,888	54,000 (	8,112)	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Annual Operations Audit (6)	2,500	-	-	-	-	-	-	-	32,500	35,000	30,000	5,000	-	-	-	-	-	-	-
Carrier Audits (10)	-	-	-	700,000	-	-	-	-	-	700,000	700,000	-	-	-	-	-	-	-	-
Bad debt expense (recovery) (11)	(1,424)	(2,963)	-	-	-	-	-	-	-	4,387	-	4,387)	-	-	-	-	-	-	-
Total expenses	1,836,489	341,985	390,820	1,046,740	346,740	346,740	346,740	346,740	379,240	5,035,494	4,803,944	231,550	346,739	346,739	346,739	346,739	346,739	346,739	346,739
Net revenue (expenses)	1,203,524 (	163,040)	(191,367)	(847,287)	(147,287)	(147,287)	(147,288)	(147,288)	(249,240)	(689,272)	(531,477)	(157,795)	1,957,222 (	147,286)	(147,286)	(147,286)	(147,286)	(147,286)	(147,286)
Opening fund balance	2,887,121	4,090,645	3,927,605	3,736,238	2,888,951	2,741,664	2,594,377	2,447,089	2,447,089	2,887,121	2,730,440	156,681	2,197,849	4,155,071	4,007,785	3,860,499	3,713,213	3,565,927	3,565,927
Closing fund balance	4,090,645	3,927,605	3,736,238	2,888,951	2,741,664	2,594,377	2,447,089	2,197,849	2,197,849	2,197,849	2,198,963	1,114	4,155,071	4,007,785	3,860,499	3,713,213	3,565,927	3,418,641	3,418,641
Fund balance makeup:																			
Contingency	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Surplus	3,090,645	2,927,605	2,736,238	1,888,951	1,741,664	1,594,377	1,447,089	1,197,849	1,197,849	1,197,849	1,198,963	-	3,155,071	3,007,785	2,860,499	2,713,213	2,565,927	2,418,641	2,418,641
	4,090,645	3,927,605	3,736,238	2,888,951	2,741,664	2,594,377	2,447,089	2,197,849	2,197,849	2,197,849	2,198,963	-	4,155,071	4,007,785	3,860,499	3,713,213	3,565,927	3,418,641	3,418,641

Assumptions:

- (1) The US carrier contributions for the period from July 2008 to June 2009 and the International carrier revenue is based upon actual billings. The contributions for July - December 2009 are estimated based on billings for 2008/09.
- (2) These fees represent the \$100 late filing fee charged to those companies that do not file the Form 499A by the due date.
- (3) Interest income projections are estimates.
- (4) The expenses for the NANPA Administration, 1K Block Pooling and Welch LLP are based on contracts in force. NANPA Administration contract expired June 2008. The expense for NANPA Administration for July 2008 - December 2009 is based on the current contract based on the option to extend exercised by the FCC.
- (5) The expense for the Data Collection Agent is based on estimate of costs by USAC for the 2008 calendar year.
- (6) The contract for the annual operations audit has been awarded to Ernst & Young. The cost will be \$32,500.
- (7) The January forecasted amount includes the forecasted monthly billing of \$189,375.
- (8) The January forecasted amount includes the forecasted monthly billing of \$124,633 plus \$44080 for additional network gear.
- (9) Interim p-ANNI administration is now covered under the new Pooling contract. \$100,000 has been allowed for the cost of permanent pANI in 2008/09.
- (10) The budget allowed \$700,000 for 16 carrier audits. The FCC is revising the procurement procedure and are not conducting any audits until this is in place.
- (11) The allowance covers all accounts considered potentially uncollectible at December 31, 2008. This will be covered by the contingency allowance.

Reconciliation of Forecast at June 30, 2009 to Budget

Budgeted fund balance at June 30/09 - contingency	1,000,000
Unexpended surplus carried forward - as per budget	1,198,963
Increase in fund balance between budget period (February 2008) and June 2008	156,681
Additional billings in July -December 2008	140,071
Late filing fees (reversal) for Form 499A - 2008	(8,800)
Reduced interest earned to date compared to budget	(57,516)
NANP - change orders and contract extension fixed monthly amount	(186,902)
NANP Admin change order #15 originally included in 2007/08 surplus but not expended	(68,373)
Data Collection fees - Adjustment to actual from budget	8,112
Bad debts (recovery)not budgeted for	4,387
Annual Operations Audit	(5,000)
Unexpended budget for carrier audits not performed in 2008/09 budget year	-
Cost of permanent pANI not expended	50,002
Pooling change orders	(33,776)
Forecasted fund balance at June 30/09	2,197,849

**NANPA FUND
CURRENT AND FORECASTED LIABILITIES**

	Current <u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>	<u>Jul-09</u>
NEUSTAR - NANPA Administration contract	358,752	168,713	124,633	124,633	124,633	124,633	124,633	124,633
- Authorization by the FCC has not been received for payment								
October 2008	118,602							
November 2008	115,948							
December 2008	118,558							
Amendment 24	5,644							
	<u>\$ 358,752</u>							
NEUSTAR - Block Pooling contract	578,562	189,374	189,374	189,374	189,374	189,374	189,374	189,373
- Authorization by the FCC has not been received for payment								
October 2008	189,374							
November 2008	189,374							
December 2008	189,374							
CO #4	5,279							
CO #2	5,161							
	<u>\$ 578,562</u>							
Welch LLP - Billing & Collection Agent	57,259	19,900	19,900	19,900	19,900	19,900	19,900	19,900
- Authorization by the FCC has not been received for payment								
October 2008	17,459							
November 2008	19,900							
December 2008	19,900							
	<u>\$ 57,259</u>							
USAC - Data Collection Agent	11,787	4,500	4,500	4,500	4,500	4,500	4,500	4,500
- Authorization by the FCC has not been received for payment								
October 2008	3,254							
November 2008	4,033							
December 2008 (estimate)	4,500							
	<u>\$ 11,787</u>							
Carrier audits	-	-	700,000	-	-	-	-	-
Ernst & Young LLP- Annual operations audit	32,500	-	-	-	-	-	32,500	-
- Authorization by the FCC has not been received for payment								
Audit fee for the 2007/08 audit that will be done in the fall of 2008.	32,500							
	<u>\$ 32,500</u>							
NEUSTAR - pANI administration	\$ -	-	8,333	8,333	8,333	8,333	8,333	8,333
Total	<u>1,038,860</u>	<u>390,820</u>	<u>1,046,740</u>	<u>346,740</u>	<u>346,740</u>	<u>346,740</u>	<u>379,240</u>	<u>346,739</u>

Deliverables Report

Distributing invoices

The invoices for carriers who pay monthly were mailed by November 12, 2008. Invoices were also prepared in October for adjustments and/or first billing as a result of updated revenue data from USAC (Data Collection Agent).

Processing Payments

Payment information from the lockbox service at Mellon Bank is received every Monday for the prior week's deposits. The deposit information is recorded on either Monday or Tuesday each week.

Late/Absent Payments

Statement of accounts are printed at the end of each month. Only those whose accounts were outstanding less than 90 days were mailed.

FCC Red Light Notices

Further debt will be transferred in January that is now over 90 days.

Complaints/Queries

All queries are directed to a voice mailbox. The information is transferred to an Access database. The date, nature of call, name of caller, Filer ID, who responded and on what date and the resolution is tracked. Calls are responded usually within 3 business days. Many queries are dealing with companies who are no longer in business and need to know how to de-activate their Filer ID. Others want to know what NANP is about, they want copies of their invoices.

Staffing Changes

Nothing new to report.

Contract Renewal

The FCC has not started this process yet. The contract expires October 1, 2009. Welch LLP is on the USGSA list.

Accounts Receivable

The old receivables are gradually being cleared up as USAC identifies and verifies companies that are inactive.

We have received procedures from the FCC as to how to apply for approval to write off debt. This has to be done on an individual carrier basis. The FCC has to approve each request for write off.